Release of Central Share of Calamity Releif Fund

1289. MISS SAROJ KHAPARDE: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Central share of Galamity Relief Fund (C.R.F.) has been released to the State of Maharashtra for the year 1994-95 and also for the current financial year to provide relief to the drought affected areas in the State;

(b) if so, the details thereof and if not the reasons therefor;

(c) whether in view of the delayed monsoon the Government have decided to give additional assistance over and above CRF to Maharashtra; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINSITRY OF AGRICULTURE (SHRI S. KRISHNA KUMAR): (a) and (b) The Central share of Calamity Relief Fund (CRF) for 1994-95 amounting to Rs. 33.00 crores was rleased to the Government of Maharashtra in advance during 1993-94 in the wake of the Lature earthquake. During 1995-96, two instralments of Central share of CRF amounting to Rs. 24.14 crores have so far been released to the State Government.

(c) and (d) No request has been received from the Government of Maharashtra for any additional assistance, over and above the provisions of the CRF.

Bailadila Mines Under Joint Venture Scheme

1290. SHRI GURUDAS DAS GUPTA: Will the Minister of STEEL be pleased to state:

(a) whether there is any move to put Bailadila mine 11-B managed by NMDC under a joint venture scheme; and

(b) if so, the details and reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) and (b) Steel consumption is one of the major indices of industrial and economic growth of a country. The total demand for steel in India, including estimated exports, is projected to grow to 37 million tonnes by 2001-02, by which time production from the existing integrated steel plants and units in secondary sector is expected to reach about 24 million tonnes. The projected gap of 13 million tonnes will have to be met only by private sector investment as establishment of new greenfields plants in public sector is not contemplated. The private sector will, therefore, have to be encouraged if the projected gap between demand and availability is to be met.

Indigenous availability of metal scrap is low and large quantities have to be imported in order to meet indigenous demand. Sponge iron contains a large percentage of metallic iron and is very good substitute for steel melting scrap. Production of sponge iron is, therefore, being encouraged by the Government in order to conserve foreign exchange. There are 18 sponge iron units in the country at present with total capacity of 5.4 million tonnes. These units produced 34 million tonnes in 1994-95 and the production is expected to cross the 4 million tonnes mark this year, with exports expected to touch the one million mark. More sponge iron units with a capacity of 7.39 lakh tonnes per annum are in different stages of execution presently.

There are only 3 gas-based plants in India, namely Essar Gujarat Ltd., Vikram Ispat Ltd. and Nippon Denro Ispat Ltd. and they require calibrated iron ore with Fe content of 65% and above.

Though NMDC had been considering development of Deposit 11-B as a joint venture project since 1991, the proposal could not fructify as the three major iron ore consuming companies, identified as potential joint venture partners, were agreeable to join in the joint venture only if they were the sole co-promoters with

NMDC and the management rights vested in them.

The Steel Ministry examined the issues involved in May, 1994 and advised NMDC that the project may be developed as a joint venture with participation of one of the private companies operating or setting up a gas-based sponge iron plant in the country, who have already an assurance from NMDC to meet a substantial part of the plant's requirement for iron ore. The Government also suggested specific criteria to NMDC for selection of a joint venture partner.

The Board of Directors of NMDC constituted a sub-committee to select a joint venture partner on the basis of the criteria suggested by Ministry of Steel. The recommendations of the sub-committee, accepted by NMDC Board, are as follows:—

(i) To enter into joint venture with one of the following partners in the given order of preference:
  (i) M/s. Nippon Denro Ispat Limited.
  (ii) M/s. Essar Gujarat Limited.

(ii) To transfer a part of the lease of deposit 11-B held by NMDC (i.e., the area comprised in deposit 11-B) to the joint venture company after following the prescribed procedures.

(iii) To seek decision of Government regarding the consideration to be charged for transfer of the mining lease.

The Steel Ministry made an in-depth analysis of the recommendations received from NMDC and submitted a note to the Cabinet for consideration. As regards consideration to be charged for transfer of mining lease, it was felt that it would not be appropriate to treat it as a normal commercial transaction and realize the maximum consideration because this would render the final product costly and uncompetitive. More-over, the transfer was proposed to a joint venture company in which NMDC itself is a partner. At the same time, the Steel Ministry felt that NMDC should not be put to any pecuniary loss and should be compensated for the actual expenditure that it had incurred on exploration, feasibility and other preliminary works. The Steel Ministry, hence, proposed that the actual expenditure incurred as above, updated to current costs through an appropriate method to be determined by a recognised professional organisation such as the Institute of Cost & Works Accountants of India (ICWAI), should be recovered from the joint venture partner.

The Cabinet, in their meeting on 30.5.95, accorded approval to development of Bailadila 11-B deposit as a joint venture. Based on this, approval was accorded to NMDC on 13.6.95 to form the joint venture company and take other consequential actions. The interests of the local people and trade unions have been safeguarded by advising NMDC to stipulate in the joint venture agreement that the joint venture company will recruit all skilled, semi-skilled and unskilled workers through the Local Employment Exchange except to the extent that such workers are not available with the Local Employment Exchange. The joint venture agreement has since been signed on 10.7.95.

Establishing Residential Schools in Tribal Areas

1291. SHRI T. VENKATRAM REDDY:
SHRI G. PRATHAPA REDDY:

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether there is any plan under Government's consideration to assist the State Governments to establish one residential school in each Gram Panchayat in tribal areas;

(b) if so, the details thereof; and

(c) the details of the amount to be allocated to each of the States for this purpose?